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March 19, 1999

BY HAND DELIVERY

Magalie Salas, Secretary
Federal Communications Commission
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12th Street Lobby, Room TW-A325
Washington, D.C. 20554

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MAR 19 1999
FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In re Matter of the Pay Telephone Reclassification and
Compensation Provisions of the Telecommunications Act
of 1996, **CC Docket No. 96-128**

Dear Ms. Salas:

Please find enclosed for filing an original and five copies
of the Reply to Opposition to Petition for Clarification in the
above-captioned proceeding.

Please date-stamp and return the extra copy provided to the
individual delivering this package.

Sincerely,


Michael K. Kellogg

Enclosures

No. of Copies rec'd 045
List A B C D E

BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C.

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MAR 19 1999

In the Matter of

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Implementation of the Pay Telephone)	
Reclassification and Compensation)	CC Docket No. 96-128
Provisions of the)	
Telecommunications Act of 1996)	

REPLY TO OPPOSITION TO PETITION FOR CLARIFICATION

The RBOC/GTE/SNET Payphone Coalition (the "Coalition") hereby replies to the Opposition filed by the Telecommunications Resellers Association ("TRA"). TRA insists that the Commission should not act on the Coalition's Petition for Clarification without publishing a notice and seeking comment on the proposed prospective change in the Commission's interpretation of section 64.1300 of its rules. The Coalition agrees. It is for that reason, that the Coalition explicitly "request[ed] that the Commission seek comment on [its] proposal." Petition for Clarification at 2; see id. at 6. Presumably, TRA would have no procedural objection to Commission action following such a notice and comment proceeding.¹


TRA will have an opportunity to air its substantive objections to the proposed CIC-code rule when the Commission puts the proposal out for comment, and the Coalition will respond at that time in detail as needed. But it is notable that TRA does not dispute that PSPs are being severely under-compensated. Instead, TRA's only complaint about the proposed solution is

¹The Coalition continues to believe that a full-blown rulemaking is not required because this constitutes a re-interpretation of an existing Commission rule. See Petition at 2 n.2. The Coalition nonetheless agrees that the Commission should seek comment from interested parties before making such a change in interpretation, and the Coalition urges the Commission to do so promptly.

entirely self-serving: it suggests that requiring TRA's members who have CIC assignments to pay per-call compensation would raise those carriers' costs. This suggestion seems questionable at best. If facilities-based IXC's are paying the compensation due to PSPs for calls carried by switchless resellers, the IXC's are undoubtedly passing these compensation costs on to the resellers. If TRA members are not paying, it is only because PSPs are being illegally deprived of compensation. TRA concedes that any CIC assignee who lacks its own facilities can arrange for a facilities-based carrier to perform call tracking and presumably to make payments to PSPs as well. To be sure, facilities-based IXC's will recover the costs of this service, but they presumably do so now in the rates charged to resellers.

The simple fact is that PSPs are being cheated by the current compensation system, and the CIC solution proposed by the Coalition would improve the situation. The Commission should seek comment on the proposal and implement it as soon as possible.

Respectfully submitted,


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Counsel for the RBOC/GTE/SNET
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March 19, 1999

CERTIFICATE OF SERVICE

I, Aaron M. Panner, hereby certify that on the 19th day of March, 1999, I caused copies of the foregoing Reply to Opposition to Petition For Clarification to be served upon the parties on the attached service list by first class mail or where indicated by asterick (*) by hand delivery..



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